

**Appendix C**

**Financial Projections**

## FINANCIAL PROJECTIONS

In connection with developing the *Joint Chapter 11 Plan of Reorganization of FTX Trading Ltd. And Its Debtor Affiliates* (as may be amended, modified, or supplemented from time to time in the Plan Supplement, and all other exhibits and schedules thereto, in each case, as they may be further amended, modified or supplemented from time to time, the “Plan”),<sup>1</sup> the Debtors prepared the following projections for the Wind Down Entities under the Plan (collectively, the “Financial Projections”, or the “Projections”). The Financial Projections reflect the Debtors’ good faith estimate of the expected cash and cash proceeds from assets, including Digital Assets, available for distribution from the Wind Down Entities after the transactions detailed in the Plan are completed. For purposes of the Financial Projections, the Effective Date is assumed to be September 30, 2024, the Assumed Effective Date.<sup>2</sup> The Financial Projections are being provided solely to enable Holders of Claims and Interests entitled to vote on the Plan to make an informed judgment on how to vote on the Plan. The Debtors’ advisors expressly disclaim any liability to any Holder of Claims and Interests in connection with such information or its decision with respect to how to vote on the Plan. The Financial Projections reflect the Debtors’ judgment of expected Wind Down Cash Proceeds, which are subject to change. As described in detail in the Disclosure Statement, a variety of risk factors could affect the Debtors’ ability to monetize certain assets and must be reviewed and considered. Accordingly, the Financial Projections should be reviewed with the Disclosure Statement, including the risk factors, and the assumptions described herein, including all relevant qualifications and footnotes. All estimates and assumptions within the Financial Projections were developed by the Debtors and their advisors. The Financial Projections have not been audited or reviewed by independent accountants. The assumptions disclosed herein are those that the Debtors believe to be significant to the Projections. Although the Debtors believe these assumptions are reasonable under current circumstances, such assumptions are subject to significant uncertainty. As such, despite best efforts to plan for the effects of a change in circumstances, financial results cannot be predicted with certainty. Consequently, actual financial results could vary significantly from projected results.

THE FINANCIAL PROJECTIONS, INCLUDING THE UNDERLYING ASSUMPTIONS, SHOULD BE CAREFULLY REVIEWED AND REVIEWED WITH THE DISCLOSURE STATEMENT IN EVALUATING THE PLAN. ALTHOUGH THE DEBTORS BELIEVE THE ASSUMPTIONS UNDERLYING THE FINANCIAL PROJECTIONS, WHEN CONSIDERED ON AN OVERALL BASIS, ARE REASONABLE IN LIGHT OF CURRENT CIRCUMSTANCES AND EXPECTATIONS, NO ASSURANCE CAN BE GIVEN THAT THE PROJECTIONS WILL BE REALIZED. THE FINANCIAL PROJECTIONS SHOULD NOT BE REGARDED AS A REPRESENTATION OR WARRANTY BY THE DEBTORS, THEIR ADVISORS, THE WIND DOWN ENTITIES, OR ANY OTHER PERSON AS TO THE ACCURACY OF THE PROJECTIONS OR THAT THE PROJECTIONS WILL BE REALIZED. FURTHER, ALL OF THE ASSUMPTIONS HEREIN WERE MADE FOR THE SOLE PURPOSE OF CONSTRUCTING THESE FINANCIAL PROJECTIONS AND SHOULD NOT

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<sup>1</sup> Capitalized terms used but otherwise not defined herein shall have the meanings ascribed to them in the Plan and Disclosure Statement.

<sup>2</sup> The Assumed Effective Date is subject to change and adjustment pursuant to the Debtors’ Plan confirmation timeline.

BE TAKEN AS ANY INDICATION OF HOW THE DEBTORS MAY CHOOSE TO PROCEED IN THE FUTURE OR BE DEEMED AS AN ADMISSION BY, OR BINDING ON, THE DEBTORS FOR ANY OTHER PURPOSE. NOTHING CONTAINED IN THE FINANCIAL PROJECTIONS SHALL CONSTITUTE A WAIVER OR ADMISSION BY THE DEBTORS IN ANY RESPECT, INCLUDING WITHOUT LIMITATION, WITH RESPECT TO MATTERS INVOLVING OBJECTIONS TO CLAIMS, SUBSTANTIVE CONSOLIDATION, EQUITABLE SUBORDINATION, DEFENSES, ANY ASSERTED RIGHTS OF OR PURPORTED EXERCISE OF FORECLOSURE, SETOFF OR RECOUPMENT, OR ANY OTHER RELEVANT APPLICABLE LAWS. THE DEBTORS RESERVE ALL RIGHTS AND DEFENSES RELATING TO ANY OF THE ASSUMPTIONS MADE HEREIN. THE SIGNIFICANT ASSUMPTIONS USED IN THE PREPARATION OF THE FINANCIAL PROJECTIONS ARE STATED BELOW. THE PROJECTIONS ASSUME THAT THE DEBTORS WILL EMERGE FROM CHAPTER 11 ON THE ASSUMED EFFECTIVE DATE. THE FINANCIAL PROJECTIONS SHOULD BE READ IN CONJUNCTION WITH THE DISCLOSURE STATEMENT, INCLUDING ANY OF THE EXHIBITS THERETO OR INCORPORATED REFERENCES THEREIN, AS WELL AS THE RISK FACTORS SET FORTH THEREIN, AND THE SIGNIFICANT ASSUMPTIONS, QUALIFICATIONS, AND NOTES SET FORTH BELOW.

THE FINANCIAL PROJECTIONS WERE NOT PREPARED WITH A VIEW TOWARD COMPLIANCE WITH THE GUIDELINES ESTABLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS (THE "AICPA"), THE FINANCIAL ACCOUNTING STANDARDS BOARD (THE "FASB"), OR THE RULES AND REGULATIONS OF THE SECURITIES AND EXCHANGE COMMISSION. FURTHERMORE, THE PROJECTIONS HAVE NOT BEEN AUDITED, REVIEWED, OR SUBJECTED TO ANY PROCEDURES DESIGNED TO PROVIDE ANY LEVEL OF ASSURANCE BY THE DEBTORS' INDEPENDENT PUBLIC ACCOUNTANTS. THE FINANCIAL STATEMENTS HAVE NOT BEEN SUBJECT TO PROCEDURES THAT WOULD TYPICALLY BE APPLIED TO FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN THE UNITED STATES ("GAAP"), INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS"), OR SINGAPORE FINANCIAL REPORTING STANDARDS ("SFRS"). WHILE PRESENTED WITH NUMERICAL SPECIFICITY, THE FINANCIAL PROJECTIONS ARE BASED UPON A VARIETY OF ESTIMATES AND ASSUMPTIONS WHICH, ALTHOUGH DEVELOPED AND CONSIDERED REASONABLE BY THE DEBTORS, MAY NOT BE REALIZED AND ARE SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC, AND COMPETITIVE UNCERTAINTIES AND CONTINGENCIES, MANY OF WHICH ARE BEYOND THE CONTROL OF MANAGEMENT. THESE UNCERTAINTIES INCLUDE, AMONG OTHER THINGS, THE ULTIMATE OUTCOME AND CONTENTS OF A CONFIRMED PLAN, THE TIMING OF THE CONFIRMATION OR EFFECTIVENESS OF SUCH A PLAN, AND ORDERS OF THE COURT CONCERNING OBJECTIONS TO AND/OR ALLOWANCE OF CLAIMS. CONSEQUENTLY, THE FINANCIAL PROJECTIONS SHOULD NOT BE REGARDED AS A REPRESENTATION OR WARRANTY BY THE DEBTORS, THEIR ADVISORS, OR ANY OTHER PERSON, AS TO THE ACCURACY OF THE FINANCIAL PROJECTIONS OR THAT THE FINANCIAL PROJECTIONS WILL BE REALIZED. ACTUAL RESULTS MAY VARY MATERIALLY FROM THOSE PRESENTED

IN THE FINANCIAL PROJECTIONS. HOLDERS OF CLAIMS OR INTERESTS MUST MAKE THEIR OWN ASSESSMENT AS TO THE REASONABLENESS OF SUCH ASSUMPTIONS AND THE RELIABILITY OF THE PROJECTIONS IN MAKING THEIR DETERMINATION OF WHETHER TO ACCEPT OR REJECT THE PLAN.

## **ASSUMPTIONS TO FINANCIAL PROJECTIONS**

The Financial Projections include estimates of (i) potential proceeds realized from the disposition of Plan Assets available for distribution to creditors (the “Gross Distributable Proceeds”), the (ii) Wind Down Budget and the (iii) estimated recoveries for each class of creditors, consistent with the terms and provisions of the Plan.<sup>3</sup>

### **(i) Gross Distributable Proceeds**

- (a) The Financial Projections include estimates of Gross Distributable Proceeds realized from the disposition of Plan Assets. Gross Distributable Proceeds available for Distribution to creditors and customers are estimated by projecting the Debtors’ Cash (“Cash and Cash Equivalents”) as of the Assumed Effective Date, including a forecast of proceeds from the disposition of Plan Assets and administrative expenses incurred prior to the Assumed Effective Date (the “Pre-Effective Period”), and assessing a range of potential recoveries from the monetization of remaining Plan Assets during a three-year wind down period thereafter (the “Wind Down Period”, and together with the Pre-Effective Period, the “Projection Period”).
- (b) Although Cash and Cash Equivalents as of the Assumed Effective Date are expected to be material, disposition of Plan Assets will continue to occur over the course of the Wind Down Period. Gross Distributable Proceeds available for Distribution have not been discounted to present values. Due to illiquidity, vesting schedules or lack of marketability for certain of the Plan Assets, it is possible that certain asset dispositions will occur after the Projection Period.
- (c) Estimated asset values in the Financial Projections, in many cases, assume a range of potential recoveries that account for economic, business, and regulatory uncertainties and reflect the volatile nature of the Digital Asset markets. While pricing and discount assumptions consider market volatility and other risk factors, actual results may differ materially from projected results.

### **(ii) Wind Down Budget**

- (a) The Financial Projections include a Wind Down Budget that estimates the expenses and costs of monetizing Plan Assets and making Plan Distributions, including, among other things, (i) operating costs such as payroll, contractors, IT and insurance, (ii) costs to pursue and recover assets through Avoidance Actions, (iii) administrative and legal costs related to claims reconciliation, tax and other Wind Down matters, and (iv) governance costs.

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<sup>3</sup> Effective as of the Assumed Effective Date, substantive consolidation of the Estates of the Consolidated Debtors into a single Entity formed as a Delaware trust, the Consolidated Wind Down Trust (as defined in the Plan), for the purpose of effectuating and implementing the Plan, excluding Separate Subsidiaries, Excluded Entities and FTX Bahamas PropCo.

- (b) The Wind Down Budget is based on analysis of historical and future expenses and is expected to decrease over the duration of the Wind Down Period in line with the overall size of the Consolidated Wind Down Trust and activities required to effectuate the Wind Down.
- (c) The Plan Administrator and the Wind Down Board will oversee the Wind Down Entities activities throughout the Wind Down Period.

**(iii) Creditor Recoveries**

- (a) The Financial Projections include estimated recoveries for each class of Holders of Claims and Interests. It is estimated that Priority Claims will be paid in full, and Secured, Customer Entitlement, and General Unsecured Claims will receive a recovery in excess of such Allowed Claims.
- (b) The Customer Priority structure reflected in the Plan is reflected in the Financial Projections, but given the expectation of recoveries for Customer Entitlement and General Unsecured Claims in excess of such Allowed Claims, the Financial Projections are presented in a consolidated format.
- (c) Estimates of Allowed Claims used to calculate recoveries were derived from ongoing efforts to reconcile filed Proofs of Claims against the Debtors' Schedules, in addition to ongoing investigations regarding potential Causes of Action. Amounts asserted in the filed Proofs of Claims materially exceed the estimated valid Allowed Claims (the "Claims Reconciliation Process"). Realization of estimated valid Allowed Claims is subject to the Debtors' successful objection and subsequent expungement, withdraw or modification of hundreds of thousands of filed Proofs of Claims – these efforts are the primary factor in determining the speed and magnitude at which Plan Distributions can be made to creditors and customers.

**(iv) Other Considerations**

- (a) **Governmental Agencies:** As described in the Plan, the IRS Settlement provides that the IRS will receive a Priority IRS Tax Claim, a Senior Subordinated IRS Claim and a Junior Subordinated IRS Claim. The Financial Projections assume the CFTC and other non-tax governmental agencies agree to have their Allowed Claims treated as Senior Subordinated Governmental Claims. Neither the CFTC nor the other governmental authorities are at this time of this Disclosure Statement committed to do so. Final resolution of governmental claims may differ from these assumptions and could have a material impact on the creditor recoveries reflected herein.
- (b) **The Bahamas Opt-In Election:** FTX Dotcom Customers will be able to elect, through the Plan Solicitation process, to have their Claims administered, reconciled, valued, settled, adjudicated, resolved or otherwise settled in, and receive distributions from, the FTX FDM liquidation or winding up proceeding in The Bahamas. FTX FDM will reconcile, administer, value, settle, adjudicate, resolve or otherwise settle Claims that opt-in to their

process, and the Debtors will provide FTX FDM with funding for Distributions to certain eligible FTX Dotcom Customer Entitlement Claims. FTX FDM will utilize at least the same KYC policies as the Debtors, but may apply different or more stringent requirements as may be required by Bahamian law. At the time of making a Distribution, both Parties will assess implied recoveries for FTX Dotcom Customers and distributable cash to make equalizing inter-estate distributions to Allowed Claims.

- (c) **Causes of Action:** As described in the Plan, the Wind Down Entities shall retain and may enforce all rights to commence and pursue, as appropriate, any and all retained Causes of Action, whether arising before or after the Petition Date, and such rights to commence, prosecute, or settle such retained Causes of Action shall be preserved notwithstanding the occurrence of the Assumed Effective Date.
- (d) **Debtor and Non-Debtor Affiliates:** In certain cases, the Debtors may have receivables from, or equity interests in, certain Debtor and non-Debtor affiliates. The Financial Projections include estimated proceeds from these assets.
- (e) **Taxes:** As described in the Plan, assets of the Wind Down Entities are transferred to the Consolidated Wind Down Trust for the purposes of effectuating and implementing the Plan. Under the terms of proposed settlement with the IRS, no Net Operating Losses will be available after the Effective Date, the IRS is granted a Priority Tax claim as described herein, and all other prepetition and postpetition claims are subordinated as reflected in the Financial Projections Exhibit.
- (f) **Forfeiture Proceeds:** The Financial Projections assume that cash and other property seized by the Department of Justice in connection with the prosecution of Mr. Bankman-Fried will be made available to FTX creditors in accordance with the priority scheme reflected in the Plan. Whether all of these assets are recoverable or will be permitted to be distributed in accordance with the current priority scheme is subject to ongoing discussions with the DOJ, the final resolution of which may be different from the assumptions in these Financial Projections and could have a material impact on creditor recoveries.

**CONSOLIDATED DEBTORS**  
**ESTIMATED NET ASSETS AVAILABLE FOR DISTRIBUTION**

USD in Millions		Pro Forma	Recovery %		Recovery \$	
Proceeds / Available Assets	Notes	9/30/2024	Low	High	Low	High
Cash and Cash Equivalents	[A]	\$ 12,767	100%	100%	\$ 12,767	\$ 12,767
Venture Investments	[B]	3,290	31%	54%	1,019	1,783
Digital Assets	[C]	2,894	22%	52%	632	1,518
Investments in Subsidiaries	[D]	476	77%	93%	366	443
Other Assets	[E]	517	21%	34%	107	175
<b>Gross Distributable Proceeds</b>		<b>\$ 19,944</b>	<b>75%</b>	<b>84%</b>	<b>\$ 14,890</b>	<b>\$ 16,685</b>
Wind Down Budget	[F]	-			(431)	(432)
<b>Net Distributable Proceeds</b>		<b>\$ 19,944</b>	<b>73%</b>	<b>81%</b>	<b>\$ 14,459</b>	<b>\$ 16,254</b>
Claims	Notes	Value	Low	High	Low	High
Administrative Claims	[G]	\$ 169	100%	100%	\$ (169)	\$ (169)
Class 1: Priority Tax Claims	[H]	200	100%	100%	(200)	(200)
Class 2: Other Priority Claims	[I]	-	n/a	n/a	-	-
Class 3: Secured Claims	[J]	250	109%	109%	(272)	(272)
Class 4: Separate Subsidiary Claims	[K]	-	n/a	n/a	-	-
Class 5A: Dotcom Customer Entitlements	[L]	7,995	100%	100%	(7,995)	(7,995)
Class 5B: US Customer Entitlements	[L]	168	100%	100%	(168)	(168)
Class 5C: NFT Customer Entitlement Claims	[L]	-	n/a	n/a	-	-
Class 6A: General Unsecured Claims	[M]	1,133	100%	100%	(1,133)	(1,133)
Class 6B: Digital Asset Loan Claims	[M]	642	100%	100%	(642)	(642)
Class 7A: Dotcom Convenience Class	[N]	841	118%	118%	(990)	(990)
Class 7B: US Convenience Class	[N]	144	118%	118%	(170)	(170)
Class 7C: General Convenience Class	[N]	3	118%	118%	(3)	(3)
<b>Total Class 1 through 7 Claims</b>		<b>11,546</b>	<b>102%</b>	<b>102%</b>	<b>(11,743)</b>	<b>(11,743)</b>
Total Postpetition Interest	[O]	2,510	100%	100%	(2,510)	(2,510)
<b>Remaining Proceeds Available for Distribution</b>					<b>\$ 207</b>	<b>\$ 2,002</b>
Class 10A: Senior Subordinated IRS Claims	[P]	TBD	TBD	TBD	(52)	(500)
Class 10B: Senior Subordinated Governmental Claims						
CFTC Claim (Supplemental Remission Fund)	[Q]	8,700	2%	17%	(152)	(1,468)
Other Governmental Authority Claims	[Q]	199	2%	17%	(3)	(34)
<b>Total Subordinated Claims</b>		<b>8,899</b>	<b>2%</b>	<b>17%</b>	<b>(155)</b>	<b>(1,501)</b>
<b>Remaining Proceeds Available for Distribution</b>					<b>\$ -</b>	<b>\$ -</b>
Class 10C: Junior Subordinated IRS Claims	[R]	685	0%	0%	-	-
Class 12: Preferred Equity Interests	[S]	1,966	0%	0%	-	-
<b>Remaining Proceeds Available for Classes 13 - 18</b>					<b>\$ -</b>	<b>\$ -</b>



**Creditor Recovery Summary**

USD in Millions Recoveries by Creditor Group	Claims	Recovery %		Recovery \$	
	Value	Low	High	Low	High
Administrative Claims	\$ 169	100%	100%	\$ (169)	\$ (169)
Class 1: Priority Tax Claims	200	100%	100%	(200)	(200)
Class 3A: Secured Claims	250	100%	100%	(250)	(250)
Secured Claims Postpetition Interest	n/a	n/a	n/a	(22)	(22)
<b>Secured Principle Claims &amp; Recoveries</b>	<b>\$ 250</b>	<b>109%</b>	<b>109%</b>	<b>\$ (272)</b>	<b>\$ (272)</b>
Class 5A: Dotcom Customer Entitlements	7,995	100%	100%	(7,995)	(7,995)
Dotcom Customer Postpetition Interest	n/a	n/a	n/a	(2,019)	(2,019)
Dotcom Customer Entitlement Remission Fund Recovery	n/a	n/a	n/a	(138)	(1,332)
Total Class 5A Dotcom Customer Recovery	7,995	127%	142%	(10,152)	(11,346)
Class 7A: Dotcom Convenience Class	841	118%	118%	(990)	(990)
<b>Dotcom Customer Principle Claims &amp; Recovery</b>	<b>\$ 8,836</b>	<b>126%</b>	<b>140%</b>	<b>\$ (11,142)</b>	<b>\$ (12,336)</b>
Class 5B: US Customer Entitlements	168	100%	100%	(168)	(168)
US Postpetition Interest	n/a	n/a	n/a	(42)	(42)
US Customer Entitlement Remission Fund Recovery	n/a	n/a	n/a	(3)	(28)
Total Class 5B US Customer Recovery	168	127%	142%	(214)	(239)
Class 7B: US Convenience Class	144	118%	118%	(170)	(170)
<b>US Customer Principle Claims &amp; Recovery</b>	<b>\$ 312</b>	<b>123%</b>	<b>131%</b>	<b>\$ (383)</b>	<b>\$ (408)</b>
Class 6A: General Unsecured Claims	1,133	100%	100%	(1,133)	(1,133)
Class 6B: Digital Asset Loan Claims	642	100%	100%	(642)	(642)
Non-Customer Postpetition Interest	n/a	n/a	n/a	(448)	(448)
Digital Asset Loan Claims Remission Fund Recovery	n/a	n/a	n/a	(11)	(107)
Total Class 6 Non-Customer GUC Recovery	1,776	126%	131%	(2,235)	(2,331)
Class 7C: General Convenience Class	3	118%	118%	(3)	(3)
<b>Non-Customer GUCs Principle &amp; Recovery</b>	<b>\$ 1,779</b>	<b>126%</b>	<b>131%</b>	<b>\$ (2,239)</b>	<b>\$ (2,335)</b>
Class 10A: Senior Subordinated IRS Claims	TBD	TBD	TBD	(52)	(500)
Class 10B: Senior Subordinated Governmental Claims (excl. CFTC)	199	2%	17%	(3)	(34)
<b>Total Claims and Recoveries</b>	<b>\$ 11,745</b>	<b>123%</b>	<b>138%</b>	<b>\$ (14,459)</b>	<b>\$ (16,254)</b>

## **NOTES TO FINANCIAL PROJECTIONS**

### **Gross Distributable Proceeds**

#### **Note A – Cash and Cash Equivalents**

Cash and Cash Equivalents are projected from March 31, 2024 to the Assumed Effective Date. At the time of the preparation of the Plan and Disclosure Statement, the Debtors held approximately \$8.4 billion in Cash and Cash Equivalents. The Debtors estimate an additional \$4.4 billion of proceeds from the disposition of Plan Assets will be collected by the Assumed Effective Date, including over \$2.5 billion from the sale of Digital Asset, \$1.3 billion of proceeds from the sale of certain Anthropic Shares,<sup>4</sup> and the return of \$626 million in cash from the Department of Justice (“DOJ”) related to the confiscation of Robinhood stock.<sup>56</sup> Cash balances are adjusted to account for estimated administrative expenses paid through the Assumed Effective Date.

Cash and Cash Equivalents are expected to be approximately \$12.8 billion on the Assumed Effective Date.

#### **Note B – Venture Investments**

Venture Investments are comprised of the Debtors’ equity investments, fund investments, loan investments, and certain estimated avoidance actions proceeds. Recoveries on Venture Investments were estimated in the context of available market valuation or pricing.

- (i) Equity Investments: portfolio comprised of over 200 equity investments, including Genesis Digital (“GDA”), Chipper Cash and Tripledot. The equity investments portfolio contains investments across a range of industries, including technology, blockchain, Bitcoin mining, NFT, gaming, and infrastructure. Estimates include a range of potential recoveries determined by indicative bids for both individual investments and the portfolio broadly, company-provided information, funded values, recent financing rounds, market conditions, and the nature of and ability to monetize the investments, estimated to be \$249 – \$749 million.
- (ii) Fund Investments: portfolio comprised of approximately 20 fund investments, including SkyBridge Capital, Liquid Value Fund, Paradigm One and Multicoins

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<sup>4</sup> \$884 million approved as of April 8, 2024; *see Order (I) Authorizing and Approving Sale of Anthropic Shares Free and Clear of Any Liens, Claims, Interests and Encumbrances; (II) Authorizing and Approving Entry Into, and Performance Under, the Purchase and Sale Agreement; and (III) Granting Related Relief* [D.I. 11460].

<sup>5</sup> Emergent Fidelity Technologies Ltd. committed 55 million shares of Robinhood stock as collateral to certain BlockFi Debtors, which were confiscated by the Department of Justice and subsequently monetized for \$626 million. The \$626 million is assumed to be returned to the Wind Down Estates prior to the Assumed Effective Date and as such, is reflected in Cash.

<sup>6</sup> The recoverability of these assets is subject to ongoing negotiations with the DOJ, the final resolution of may differ from these assumptions and could have a material impact on the creditor and customer recoveries.

Venture Fund. The fund investments include investments in third-party funds comprised of cryptocurrencies, tokens, and early-stage technology companies. Estimates were based on the reported Net Asset Value (“NAV”) of the fund investments and market conditions to determine potential recoveries, estimated to be \$153 million.

- (iii) Loan Investments: portfolio contains companies including Toss (Pionic), Voyager Digital, Play Up, and BTC Africa (AZA Finance). The recovery range of loan investments is based on an assessment of the recoverability of the principal value of each loan, estimated to be \$98 – \$101 million.
- (iv) Avoidance Actions: reflect the estimated recovery value of pursuing Avoidance Actions related to select Venture Investments, conservatively estimated to be \$520 – \$780 million.

Proceeds from Venture Investments are reflected net of anticipated selling fees (estimated at 1.0% of each asset’s book value remaining as of the Assumed Effective Date).

Distributable Proceeds from the disposition of Venture Investments are expected to be approximately \$1.0 – \$1.8 billion in total.

#### Note C – Digital Assets

Digital Assets are comprised of (i) cryptocurrencies and (ii) token receivables that have not been monetized as of the Assumed Effective Date. Digital Assets that have been or are anticipated to be monetized during the Pre-Effective Period are included in Cash and Cash Equivalents as of the Assumed Effective Date.

##### (i) Cryptocurrencies

Cryptocurrencies include tokens held in cold storage, hot wallets and on third party exchanges. As of the Assumed Effective Date, the Debtors estimate they will still possess approximately 408 billion tokens of over 500 different cryptocurrencies, worth an estimated \$0.2 - \$0.8 billion.

The Department of Justice seized Digital Assets of the Debtors held on the Binance exchange. The Debtors estimate the recoverable value of these assets to be \$186 - \$458 million<sup>7</sup>.

##### (ii) Token Receivables

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<sup>7</sup> The recoverability of these assets is subject to ongoing negotiations with the DOJ, the final resolution of which may differ from these assumptions and could have a material impact on the creditor recoveries.

The Debtors are contractual counterparties to agreements in which certain tokens are delivered on a vesting schedule. Token receivables are comprised of funded tokens that are post-Initial Coin Offering (“ICO”) and currently on a vesting schedule, as well as pre-ICO tokens. As of the Assumed Effective Date, the Debtors estimate they will be party to approximately 44 contracts, and the Debtors’ advisors provided pricing assumptions resulting in an estimated recovery value of \$246 - \$249 million.

Digital Asset proceeds were estimated with input from the Debtors’ advisors using a range of economic and market scenarios. Digital Asset markets have historically demonstrated materially higher volatility than other financial markets. While pricing and discount assumptions consider market volatility and other risk factors, actual results may differ materially from projected results. Values for all Digital Assets exclude any potential capital gains or other tax liabilities related to the sale and distribution of such Digital Assets.

Distributable Proceeds from the disposition of Digital Assets are expected to be approximately \$0.6 - \$1.5 billion in total.

#### Note D – Investments in Subsidiaries

Investments in Subsidiaries are comprised of proceeds from the (i) Bahamian Subsidiaries, (ii) Separate Subsidiaries<sup>8</sup> and (iii) Other Investments in Subsidiaries that will be sold or wound down through local insolvency proceedings.

(i) Bahamian Subsidiaries (FTX DM and FTX Bahamas PropCo)

Proceeds from the Bahamian Subsidiaries are primarily derived from the sale of 35 real estate properties in The Bahamas. These properties were have an estimated recovery, net of projected selling and operating costs, of \$115 million to \$162 million.<sup>9</sup> The remaining value is primarily Cash and Digital Assets held by FTX DM offset by administrative expenses, collectively the Bahamian Subsidiaries proceeds are estimated to be \$227 – \$277 million.

(ii) Separate Subsidiaries

Proceeds from the Separate Subsidiaries are related to the residual equity value after satisfying asserted claims and administrative expenses of such Separate Subsidiaries. Residual equity value of approximately \$80 - \$96 million at FTX Japan and approximately \$101 - \$106 million Ledger Prime is expected to be realized.

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<sup>8</sup> The Debtors listed in Exhibit A of the Plan, as may be updated, supplemented and amended from time to time in accordance with the terms of the Plan Supplement.

<sup>9</sup> The properties are valued using estimates provided in an appraisal report from the Bahamas JOLs completed by PricewaterhouseCoopers International Ltd.

Each Separate Subsidiary is able to fully satisfy the claims and administrative expenses of such Separate Subsidiary.

USD in Millions	FTX Japan			LedgerPrime <sup>1</sup>		
	Pro Forma	Recovery \$		Pro Forma	Recovery \$	
	9/30/2024	Low	High	8/31/2024	Low	High
<b>Proceeds / Available Assets</b>						
Cash	\$ 120	\$ 120	\$ 120	\$ 103	\$ 103	\$ 103
Digital Assets	45	44	46	11	10	11
Other Assets	0	-	0	15	14	16
<b>Gross Distributable Proceeds</b>	<b>\$ 166</b>	<b>\$ 165</b>	<b>\$ 167</b>	<b>\$ 128</b>	<b>\$ 127</b>	<b>\$ 129</b>
Liquidation Adjustments	-	(24)	(11)	-	(6)	(5)
<b>Net Distributable Proceeds</b>	<b>\$ 166</b>	<b>\$ 140</b>	<b>\$ 156</b>	<b>\$ 128</b>	<b>\$ 121</b>	<b>\$ 124</b>
<b>Claims</b>		<b>Low</b>	<b>High</b>		<b>Low</b>	<b>High</b>
Administrative Claims		\$ (11)	\$ (11)		\$ (14)	\$ (12)
Customer Entitlements		(47)	(47)		-	-
All Other Claims		(1)	(1)		(6)	(6)
<b>Total Claims</b>		<b>\$ (60)</b>	<b>\$ (60)</b>		<b>\$ (20)</b>	<b>\$ (18)</b>
<b>Residual Value Available to the Estate</b>		<b>\$ 80</b>	<b>\$ 96</b>		<b>\$ 101</b>	<b>\$ 106</b>

**Notes:**

1. LedgerPrime includes LedgerPrime and Ledger Holdings

(iii) Other Investments in Subsidiaries

Other Investments in Subsidiaries primarily includes proceeds from local insolvency proceedings of FTX Australia and FTX Europe, of which proceeds are estimated to be \$24 - \$31 million.

The Separate Subsidiaries proceeds include FTX DM administrative expenses of \$66 - \$68 million.

Distributable Proceeds from the monetization of Investments in Subsidiaries are expected to be approximately \$0.4 billion.

Note E – Other Assets

Other assets are comprised of the Genesis Settlement Agreement, external loans receivable and other miscellaneous assets.

The Genesis Settlement Agreement allows a Claim of \$175 million for Alameda Research Ltd. against Genesis Debtor Genesis Global Capital, LLC, and provides for the release of all claims by Genesis Entities against the Debtors. Recovery on the Genesis Claims is estimated to be \$107 - \$175 million based on creditor recovery values in the latest filed disclosure statement from the Genesis Global Holdco, LLC chapter 11 proceeding.

Distributable Proceeds from the monetization of Other Assets are expected to be approximately \$0.1 – \$0.2 billion in total.

## **Wind Down Budget**

### Note F – Wind Down Budget

The Wind Down Budget includes expected costs to administer the Wind Down Entities over the three-year Wind Down Period. These costs are expected to decrease over the duration of the Wind Down Period in line with the overall size of the Consolidated Wind Down Trust and activities required to effectuate the Wind Down, and primarily relate to:

- (i) Operating Costs: primarily salaries and contractor costs of team required to support the Plan Administrator, maintaining necessary IT services post-confirmation, including server management of FTX data and its crypto portfolio, maintenance of the customer portal, and miscellaneous cloud-based storage needs, management of cryptocurrency and other digital asset holdings including custody fees and insurance.
- (ii) Litigation and Avoidance Action costs: primarily relate to pursuit of Fraudulent Transfers and other Causes of Action, recoveries from litigation and avoidance actions are estimated to exceed total costs.
- (iii) KYC costs: compliance with KYC / AML standards and regulations for the Initial Distribution and each Subsequent Distribution.
- (iv) Governance: Plan Administrator and Wind Down Board.
- (v) Advisors: claims reconciliation, tax and other support provided to the Plan Administrator.

## **Claims and Recoveries**

### Note G – Administrative Claims

General Administrative Claims, Professional Claims and Other Administrative Claims as of the Assumed Effective Date of an estimated \$169 million are treated as Administrative Claims and receive 100% recovery.

### Note H – Class 1 Priority Tax Claims

Class 1 Priority Tax Claims include a \$200 million Allowed Priority IRS Tax Claim<sup>10</sup>, estimated to receive a 100% recovery on such Allowed Claim.

### Note I – Class 2 Other Priority Claims

<sup>10</sup> As described in Section 3.T—*Proposed Settlement with the IRS*

The Debtors are unaware of the existence of any claims in Class 2.

Note J – Class 3A Secured Loan Claims and Class 3B Other Secured Claims

Class 3A Secured Loan Claims include a \$250M stipulated Secured Claim pursuant to the Global Settlement Agreement with BlockFi.<sup>11</sup> This Secured Loan Claim is estimated to receive recoveries in excess of Allowed Claims, including 100% payment in cash on such Allowed Secured Loan Claim value, plus interest at the Federal Judgement Rate on such Allowed Secured Loan Claim from the Petition Date through the Assumed Effective Date.

The Debtors are unaware of the existence of any Class 3B Other Secured Claims.

Note K – Class 4 Separate Subsidiary Claims

All Claims asserted against Separate Subsidiaries are expected to recover in full, solely from the net distributable proceeds of such Separate Subsidiaries.

Notes L – Class 5A Dotcom, 5B U.S., and 5C NFT Customer Entitlement Claims

Class 5A Dotcom and 5B U.S. Customer Entitlement Claims are estimated to receive recoveries in excess of Allowed Claims. Class 5A Dotcom and Class 5B U.S. Customer Entitlement Claims are estimated in accordance with the Digital Assets Estimation Order (unless otherwise provided therein)<sup>12</sup>, subject to the ongoing Claims Reconciliation Process. The components of Class 5A Dotcom and 5B U.S. Customer Entitlement Claim recoveries include 100% recovery on such Allowed Customer Entitlement Claim, plus interest at the Consensus Rate on such Allowed Claim from the Petition Date through the applicable Distribution Date, plus any proceeds from the Supplemental Remission Fund.

Class 5C NFT Customer Entitlement Claims receive distributions of such Available NFTs in kind.

Note M – Class 6A General Unsecured Claims and 6B Digital Asset Loan Claims

Class 6A General Unsecured Claims include cash denominated loans payable, contract rejection damages related to executory contracts and real property leases, and various other trade or employee related Claims. General Unsecured Claims are expected to receive a recovery in excess of Allowed Claims, including 100% recovery on such Allowed General Unsecured Claim, plus interest at the lower of the Consensus Rate, the applicable contract rate or such other rate determined by the Court (or as otherwise agreed by the relevant parties) on such Allowed General Unsecured Claim from the Petition Date through the applicable Distribution Date.

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<sup>11</sup> *Order (A) Authorizing the Debtors to Enter into Global Settlement Agreement with BlockFi; (B) Approving the Global Settlement Agreement; and (C) Granting Related Relief*[D.I. 10331].

<sup>12</sup> As of the filing of the Disclosure Statement, the Digital Assets Estimation Order [D.I. 7090] does not include prices for the tokens MAPS, OXY, SRM, and BOBA, therefore the Disclosure Statement estimates the value of a Claim of these tokens using the conversion rates set forth in the initial Digital Assets Conversion Table attached to the Estimation Motion [D.I. 5202].

Class 6B Digital Asset Loan Claims are valued in accordance with the Digital Assets Estimation Order (unless otherwise provided therein)<sup>13</sup>, subject to the ongoing Claims Reconciliation Process and are expected to receive a recovery in excess of Allowed Claims, including 100% recovery on such Allowed Digital Asset Loan Claim, plus interest at the lower of the Consensus Rate, the applicable contract rate or such other rate determined by the Court (or as otherwise agreed by the relevant parties) on such Allowed Digital Asset Loan Claim from the Petition Date through the applicable Distribution Date, plus any proceeds from the Supplemental Remission Fund.

Note N – Class 7 Convenience Claims

Class 7A Dotcom Convenience Claims, Class 7B U.S. Convenience Claims and Class 7C General Convenience Claims are convenience claims equal to or less than \$50,000 in Allowed Amount. Convenience Claims receive a recovery in excess of such Allowed Claim, including 100% recovery on such Allowed Claim, plus interest at the Consensus Rate on such Allowed Convenience Claim from the Petition Date through the Initial Distribution Date.

Note O – Postpetition Interest

Postpetition interest that accrues on Allowed Claims, unless otherwise provided in the Plan, shall accrue on any unpaid balance of such Allowed Claims from the Petition Date through the applicable Distribution Date on which such Allowed Claim is paid; provided that, to the extent that a Disputed Claim becomes an Allowed Claim on which postpetition interest accrues, postpetition interest shall accrue on such Allowed Claim as if such Allowed Claim had been an Allowed Claim that received a Distribution on each date Distributions were previously made to Holders of the Allowed Claims classified in the applicable Class.

- (i) Class 3A: interest on such Allowed Claim at the Federal Judgment Rate from the Petition Date through the Assumed Effective Date, estimated incremental recovery of 9%.
- (ii) Classes 5A, 5B: interest on such Allowed Claim at the Consensus Rate from the Petition Date through the Distribution Date, estimated incremental recovery of 25%.
- (iii) Classes 6A, 6B: interest on such Allowed Claim at the lower of the Consensus Rate, the applicable contract rate or such other rate determined by the Court (or as otherwise agreed by the relevant parties) from the Petition Date through the Distribution Date, estimated incremental recovery of 25%.

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<sup>13</sup> As of the filing of the Disclosure Statement, the Digital Assets Estimation Order [D.I. 7090] does not include prices for the tokens MAPS, OXY, SRM, and BOBA, therefore the Disclosure Statement estimates the value of a Claim of these tokens using the conversion rates set forth in the initial Digital Assets Conversion Table attached to the Estimation Motion [D.I. 5202].



- (iv) Classes 7A, 7B and 7C: interest on such Allowed Claim at the Consensus Rate from the Petition Date through the Initial Distribution Date, estimated incremental recovery of 18%.

Note P – Class 10A Senior Subordinated IRS Claims

Class 10A Senior Subordinated IRS Claims recover up to 25 percent of the proceeds available only after all Customer Entitlement Claims, General Unsecured Claims and postpetition interest on such Allowed Claims are paid in full and the remaining 75 percent of such proceeds after Allowed Senior Subordinated Governmental Claims are paid in full.

Class 10A Senior Subordinated IRS Claims are estimated to recover approximately \$52 to \$500 million, to the extent such Claims are Allowed with respect to taxes for the period commencing after October 31, 2022 and ending on the Effective Date. Whether or not taxes are due for such period will depend upon a number of factors and is difficult to predict at this time. If no Senior Subordinated IRS Claims are Allowed, amounts estimated in the Financial Projections to be distributed on account of the Senior Subordinated IRS Claims shall instead be distributed on account of the Senior Subordinated Governmental Claims.

Note Q – Class 10B Senior Subordinated Governmental Claims

Class 10B Senior Subordinated Governmental Claims recover the remaining 75 percent of the proceeds available only after all Customer Entitlement Claims, General Unsecured Claims, postpetition interest on such Allowed Claims and Senior Subordinated IRS Claims 25 percent allocation are paid in full.

The request from the Debtors to the CFTC contemplates a directed allocation of proceeds otherwise payable to the Holders of Allowed Senior Subordinated Governmental Claims to a Supplemental Remission Fund from which Distributions would be made on a Pro Rata basis to Holders of Class 5A Dotcom Customer Entitlement Claims, Class 5B U.S Customer Entitlements Claims, and Class 6B Digital Asset Loan Claims. Recoveries from the Supplemental Remission Fund are estimated to provide incremental recoveries of \$0.2 - \$1.5 billion on a ratable basis for such Allowed Claims.

Other Governmental Authority Claims of \$199 million are estimated to receive a 2% - 17% recovery.

The assumed settlements with holders of Senior Subordinated Governmental Claims are preliminary and subject to ongoing discussions with governmental agencies that could have a material impact on creditor recoveries.

Note R – Class 10C Junior Subordinated IRS Claims<sup>14</sup>

Class 10C Junior Subordinated IRS Claims are assumed to receive 0% recovery.

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<sup>14</sup> As described in Section 3.T—*Proposed Settlement with the IRS*

Note S – Preferred Equity Interests and other junior claims

Class 11 Preferred Equity Interests and Class 13-18 claims are assumed to receive 0% recovery.